

Before the
Federal Communications Commission
Washington D.C. 20554

In the Matter of

Application by)
SBC Communications Inc.,)
Michigan Bell Telephone Company, and)
Southwestern Bell Communications Services,)
Inc. for Provision of)
In-Region, InterLATA Services) WCDocket No. 03 -16
In Michigan)

DECLARATION OF SHERRY LICHTENBERG

1. My name is Sherry Lichtenberg. I have twenty years of experience in the telecommunications market. Prior to joining WorldCom, Inc., I was Pricing and Proposals Director for AT&T Government Markets, Executive Assistant to the President, and Staff Director for AT&T Government Markets. I also held a number of positions in Product and Project Management. I have been with WorldCom, Inc. for six years. I am currently employed by WorldCom, Inc. as a Senior Manager in the Mass Markets local service team. My duties included designing, managing, and implementing WorldCom's local telecommunications service to residential customers on a mass market basis nationwide, including Operations Support Systems ("OSS") testing in SBC and elsewhere. I have been involved in OSS proceedings throughout the country, including in Michigan.
2. The purpose of my declaration is to describe the continuing problems that WorldCom has with SBC's OSS in Michigan. WorldCom has been in the market in Michigan since

December 2000. Since then, WorldCom has faced a number of critical OSS problems.

Although many of these problems have been fixed, some remain and others continue to arise. The cumulative effect of these problems continues to significantly hinder WorldCom's ability to compete.

Pre-Order Outages

3. WorldCom frequently is unable to access SBC's pre-order interfaces in Michigan as a result of interface outages. This problem grew more severe about six months ago, and while it has improved somewhat since then, it remains a significant problem. In the last three months, there have been 16 outages of the pre-order interfaces that WorldCom has experienced and recorded. In November 2002, there were 8 interface outages averaging more than an hour; in December, there were 4 interface outages averaging more than an hour, and in January 2003, there were four interface outages averaging approximately 20 minutes.¹ These outages are much more frequent than should be expected and are quite harmful. When WorldCom is unable to access the pre-order interfaces, it cannot obtain the information it needs to place orders.²

Transmission of Incorrect Completion Notices

4. SBC has been transmitting completion notices to WorldCom for some orders that have not actually completed. In the past month, SBC has transmitted to WorldCom via e-mail two lists of orders (a list in early January with six orders and a list on January 28 with an additional seven orders) for which it had transmitted completion notices but should not have done so. SBC explained that it should have rejected most of these orders because

¹WorldCom was scheduled to review its log of recent outages with SBC on February 6, 2003.

²WorldCom's experience at least suggests that SBC's pre-order measures for interface availability may not be accurate, as these seem to show much better performance than WorldCom is experiencing.

there was a pending order to migrate the customer to another carrier, or the customer had DSL service and therefore could not migrate. But SBC has not explained why it failed to reject these orders and whether the cause is a systemic one.

5. By sending WorldCom erroneous completion notices, SBC causes the customer to be double billed. When WorldCom receives a completion notice, it immediately begins billing the customer. Thus, the erroneous completions mean that WorldCom was billing the customer and another carrier (probably SBC) as well.
6. WorldCom cannot easily correct the problem when it receives e-mail from SBC informing it of an erroneous completion notice. WorldCom's systems are set up to stop billing automatically based on receipt of a line loss notification. They are not set up to stop billing based on e-mail. If SBC has sent an erroneous completion notice in effect migrating the customer to WorldCom, it should then send a line loss notification, not just e-mail. But this is typical of SBC. SBC also continues to send a few miscellaneous line losses via e-mail and also sends its "working service conflict" form via fax, as I will discuss below.
7. The problem with erroneous completion notices is almost certainly greater than is apparent from the orders listed on SBC's e-mails. The existence of even a few erroneous completion notices suggests either that the event that triggers transmission of a completion notice is not the completion of the order or that SBC's service representatives are not properly trained. Now that it is clear that SBC sometimes sends erroneous completion notices, SBC must explain what triggers transmission of a completion notice in its systems and how it assures that such transmissions are accurate.

8. SBC's transmission of erroneous completion notices is particularly worrisome in light of WorldCom's prior experience. After repeated problems with line loss information, WorldCom and SBC reconciled their databases last Fall and found thousands of customers in the five state region who WorldCom wrongly believed were WorldCom customers as a result of erroneous information received from SBC or SBC's failure to send line loss notices. Some of the problem was likely caused by transmission of incorrect completion notices. Now it appears that this problem has not been completely fixed.

Cancellation of Orders

9. SBC often cancels WorldCom orders without notifying WorldCom of this fact. Sometimes the cancellations are erroneous and sometimes they are proper. But in either case, SBC must notify WorldCom of the cancellation. Without such notice, WorldCom does not know the status of its orders. It does not know whether it needs to correct something on its orders and re-send them or to work with SBC to correct a problem on its end. And while the orders are in limbo, the customers are not receiving service from WorldCom.
10. SBC has provided a number of reasons for its cancellation of orders. On some, it has said that its service representatives had some need to cancel internal service orders created from the WorldCom Local Service Requests ("LSRs") but failed to then create the new service orders necessary to ensure the LSRs did not cancel. On others, the service representatives properly cancelled the LSRs but failed to reject the orders. On still others, there was a system error. And on others, the orders were cancelled because of

WorldCom's failure to respond to the Working Service Conflicts form discussed below.

In all cases, however, SBC failed to notify WorldCom of the cancellations.

11. WorldCom checks every day to determine whether there are any completion notifications it has not received within three days of when an order was due. At present, there are 360 such orders in the 5 state region. Based on WorldCom's past experience, it is safe to assume that most of these are the result of order cancellations for which no notice was sent. SBC must stop erroneously canceling orders and must send notice of any proper cancellations.

Working Service Conflicts

12. Unlike any other BOC and unlike SBC itself in other regions, SBC transmits a "working service conflict" form to CLECs in the five state region who order new service (as opposed to a migration) when SBC determines that there is already working service at the premises. Apparently, SBC is attempting to determine whether there is already a line installed to the customer's premises that could be used to provide the ordered service without dispatching a technician. When there is already working service at a premise, that service may be an abandoned service from a former resident, so that the line could be effectively reused for the new resident. Alternatively, the working service may be the primary line of a customer who is ordering a second line in which case the line cannot be reused.
13. But even when the customer is ordering a second line, there often will be a second line in the ground to the customer's premises that is not in use but that can be turned up without a dispatch. Only SBC will know this, however. Indeed, as a general matter, the CLEC will not generally have any information that would help SBC determine whether a

dispatch is necessary. Presumably that is why no other BOCs ask CLECs about working service conflicts.

14. But the working service conflict form does more than create unnecessary work for the CLEC. It also often leads to cancellation of orders. SBC sends the working service form by fax and requires a response by fax. Thus, if the form is misplaced or directed to the wrong place, SBC will cancel the CLECs' orders without notification. This has been a real problem for WorldCom, which only began placing orders for new lines (as opposed to migrations) in the last few months. SBC directed the working service conflict form to the wrong fax number; WorldCom did not receive the faxes, and many WorldCom orders were therefore cancelled. It was only last week that SBC finally began sending faxes to the correct fax number. But any fax process is still fraught with the likelihood of error.
15. SBC has stated that it will not automate transmission of the Working Service Conflict form until at least September 2003 when LSOG 6 is implemented. Although still not acceptable, WorldCom has asked that SBC at least implement an e-mail process in the interim. SBC has not yet agreed even to this very limited request.

Erroneous Provisioning

16. Bearing Point determined during the third party test that SBC often fails to update its CSR properly, meaning that it has provisioned the wrong features or blocking options or reseller ID (which leads to transmission of completion notices and billing information to the wrong CLEC). WorldCom has experienced these problems in its commercial operations in the five state region. Most of these problems have been outside Michigan, however, presumably because SBC personnel are focused on Michigan in an attempt to gain 271 approval.

Failure to Process Disconnect Orders

17. SBC is not processing WorldCom's disconnect orders for its customers. When a WorldCom customer moves and WorldCom requests that SBC disconnect the customer's service, SBC does not do so. SBC continues to transmit wholesale bills to WorldCom, and, because WorldCom has not received a completion notice on its disconnect order, WorldCom continues to bill the customer.
18. This problem has existed since early December. SBC keeps promising to fix the problem but then failing to do so. SBC first promised to fix the problem on January 3, then promised to do so January 29, then promised to do so on February 12, and then, after WorldCom escalated the problem, promised to do so on February 3. But SBC still has not done so. SBC informed WorldCom that the promised February 3 fix failed in testing. So it is still not when this problem will be fixed.
19. This is a key problem. WorldCom currently has 745 customers that it cannot disconnect because of this problem, and WorldCom already has received complaints for continued billing. SBC must give this problem much higher priority than it appears to have received to date. It must find a fix for this problem.

Line Loss Notifications

20. One of the biggest problems that WorldCom has experienced in the former Ameritech region is missing line loss notifications, the notifications that inform CLECs when a carrier has left them. SBC has failed to send WorldCom thousands of notifications that were due. Each time SBC would appear to fix the problem, a new difficulty would arise.
21. Over the past couple of months, this problem again appeared to have been largely fixed. But WorldCom has recently discovered that SBC transmitted over 3000 line losses to

WorldCom with an unreadable format in the SBC Midwest region. WorldCom opened trouble ticket 10505102 on Wednesday, February 5, 2003 regarding this problem.

WorldCom's internal review of this issue shows that SBC changed the format of the line loss transmissions with no notice to CLECs, making it impossible to read and process these notifications. This problem appears to have begun on January 31, 2003 and was apparently caused by a change to the delimiter on the line losses in the information sent to MCI. This change in the delimiter was not announced to CLECs. WorldCom has checked all available Accessible Letters issued with regard to Line Loss Notification modifications issued over the last few months. According to our records, we have not received any documentation from SBC to support this EDI mapping change.

22. WorldCom changed its internal mappings so that the 3000 line losses could be reflowed. But then SBC informed WorldCom that the problem had been caused by an error SBC made in coding during one of its release windows. SBC changed its coding back, as did WorldCom, and it appears that the change has been successful. But what is most troubling is that there appear to be severe problems with SBC's change management process, including a breakdown in notification to CLECs of problems/changes to the interfaces. AT&T informed BearingPoint of a similar problem during the Michigan testing but SBC provided no root cause analysis and indicated that it was an AT&T problem only and was related to an incorrect profile update as AT&T transitioned to LSOG5. WorldCom is not using LSOG5 and has not begun this transition. Thus, the recent problem it experienced, coupled with the AT&T problem, appears to confirm a more general problem with SBC's line loss process and with SBC's change management process as well.

Billing

23. Because of internal issues, WorldCom has only just begun to review the accuracy of its wholesale bills. But while we are still verifying this, that review at least suggests substantial inaccuracies on the wholesale bills.
24. WorldCom's July bill included non-recurring charges for 123,000 transactions; yet WorldCom only transmitted 92,000 transactions during the month. The same bill included new service charges for 1,575 transactions; yet WorldCom transmitted only 15 transactions for new service in July. WorldCom's October bill included new service charges for 523 orders; yet WorldCom transmitted only 21 orders for new service; The November bill included new service charges for 439 orders; yet WorldCom sent only 3 orders for new service. WorldCom intends to conduct further review of its bills and to raise those issues it confirms directly with SBC.

General Defects

25. SBC's own defect report demonstrates that its OSS in the former Ameritech region is inferior to its OSS in the rest of its region. SBC posts this report on its web site based on its own analysis of outstanding defects. The February 5 report shows 77 total defects for the SBC territory (former SWB Territory, Pacific Bell region, and SNET region). Of these 77, 42 were for the Ameritech region and 40 of these were listed as severity 2 (high impact). I have attached the defect report to this declaration.

SBC Cannot Measure Its Own Performance

26. Both BearingPoint and Ernst & Young found significant problems with SBC's performance reporting and data integrity. I will not repeat what they found. But I do

want to respond briefly to SBC's contention that most of these problems have now been corrected, as ostensibly evidenced by the most recent Ernst & Young reports.

27. Ernst & Young did not determine whether problems had actually been fixed. It is my understanding based on statements from Ernst & Young at various hearings that in evaluating whether a fix had been made, Ernst & Young simply checked to determine that SBC had changed its coding. Ernst & Young did not check performance reports in months after coding had been changed to determine whether SBC was now reporting its metrics correctly. As a result, there is now a way to know whether the coding changes made by SBC corrected the original problem and there is now a way to know whether the fix caused any additional problems. There is also now a way to know whether the performance reporting is now based on all of the data received by SBC, not some portion of the data. Because Ernst & Young, unlike BearingPoint, did not engage in end-to-end transaction testing, it had no way to know whether SBC's reports included all data.

28. Finally, it is important to note that there were many issues discovered by Ernst & Young that were never revealed publicly. Unlike BearingPoint, Ernst & Young's test was largely exempt from public scrutiny during testing. But along with a colleague, I was able to obtain access to Ernst & Young's underlying issues list for a day after signing a protective order. That issues list suggested that there are many important problems with SBC's measures that Ernst & Young did not raise publicly because it accepted assertions of SBC's management as a basis for closing the issues, without any opportunity for comment from others.

29. SBC also attempts to defend its performance reporting by arguing that no CLE has asked for a reconciliation of data. But at least for WorldCom, it would be extremely

difficult to attempt to compare its data to SBC's performance reports. WorldCom's systems do not incorporate SBC's business rules because it would be economically infeasible to attempt to incorporate such rules for every ILEC. Instead, WorldCom reports its data based on its own internal set of rules that are national in scope. For the most part, the point of these rules is to capture critical problems. They are not designed to capture all instances of discriminatory performance. WorldCom therefore has not attempted to compare its data to SBC's reports. To the contrary, WorldCom is largely dependent on the ILEC's reporting to determine discriminatory treatment. But as the open exceptions from Bearing Point make clear, and even those from Ernst & Young, WorldCom cannot yet depend on SBC's reporting.

CONCLUSION

30. This concludes my declaration on behalf of WorldCom, Inc.